

FISCAL NOTE
HB 942 - SB 1612

March 13, 2003

SUMMARY OF BILL:

1. Establishes the following guidelines for corporate or commercial rental car contracts:
 - any rental car company, offering for sale insurance coverage or collision damage waivers, shall clearly state on the front page of the rental contract that the purchaser of the insurance coverage or collision damage waiver may be covered for such claims on the purchaser's personal motor vehicle insurance policy.
 - the rental car company must also state on the front page of the rental contract that if such motor vehicle insurance coverage exists under the renter's personal insurance policy and the coverage is confirmed, the renter may require the rental car company to submit any claims to the renter's personal insurance carrier as the renter's agent.
 - the rental car company is prohibited from making any written or oral representations that it will not present claims or negotiate with the renter's insurance carrier.
2. Establishes guidelines for consumer rental car contracts as follows:
 - any rental car company, offering insurance coverage or collision damage for sale in lieu of coverage under the renter's personal motor vehicle insurance coverage, must include complete property and collision damage coverage generally offered by private insurers.
 - any waiver signed by the renter relative to obtaining such coverage offered by the rental car company must be clearly explained so that the renter understands that the conditions and limitations under the renter's personal motor vehicle insurance coverage would apply to the rental vehicle.
 - specifies information that the waiver must clearly state on the front page of the consumer rental contract relating to confirmation of coverage, claims for damage and submission of claims.
 - the rental car company is prohibited from making any written or oral representations that it will not present claims or negotiate with the renter's insurance carrier.
3. Makes a violation of the provisions of this bill punishable as a Class C misdemeanor as provided in TCA 56-1-801.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Revenues - Not Significant
Increase Local Govt. Expenditures - Not Significant

Impact depends upon the number of persons convicted of this offense and the resulting increased cost to local governments to confine such persons versus the increased revenues to local governments from fines levied and collected under the provisions of this bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director